

**DEBT SERVICE FUNDS
DECEMBER 31, 2001**

Debt Service Funds in King County are created to account for the revenues necessary to pay the current year's matured bond and interest liabilities. Separate funds are maintained to ensure compliance with applicable Washington State debt limitation statutes. The computation of the legal debt margin of King County is presented in the Notes to Financial Statements and Statistical Section of this report. It provides detail based on the *Revised Code of Washington (RCW)* Chapters 39.36.015 and 39.36.020.

King County has five Debt Service Funds. A brief description of each fund follows:

Limited General Obligation Bond Redemption Fund (summary #00000840-0, including 840-1, 840-5, and 840-6) - This fund accumulates monies for payment of those bonds which have been issued without a vote of the people. This fund is supported by various sources including property taxes, a share of the hotel/motel tax, auto rental sales and use tax, other revenues, and transfers from various county funds. Two subfunds are used to segregate revenues, including sales tax, state lottery allocation, and related interest earnings, dedicated to debt service on bonds issued to construct a baseball stadium owned by the Washington State Major League Baseball Stadium Public Facilities District.

Road Improvement Districts Special Assessment Debt Redemption Fund (#16999801-0) - This fund reports special assessment collection and debt service payment for Road Improvement District special assessment debt for which the government is obligated in some manner.

Road Improvement Guaranty Fund (#00000115-0) - This fund accumulates monies to ensure payment of County Road Improvement Districts' special assessment bonds.

Stadium General Obligation Bond Redemption Fund (#00000851-0) - This fund accumulates monies for payment of bond issues for stadium construction which have a 3/5 approval vote of the people. The debt service for this fund is financed by a share of the hotel/motel tax.

Unlimited General Obligation Bond Redemption Fund (#00000850-0) - This fund accumulates monies for payment of those bonds which have been issued with a 3/5 approval vote of the people, except those issued for stadium construction which are accounted for in a separate fund. Property taxes are levied to finance annual debt service.

Debt Service Funds are budgeted except for the Road Improvement Districts Special Assessment Debt Redemption Fund and the Road Improvement Guaranty Fund. The basis of accounting and budgeting is modified accrual.

KING COUNTY, WASHINGTON
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2001

		ROAD IMPROVEMENT				
		LIMITED	DISTRICTS	ROAD	STADIUM	UNLIMITED
		G.O. BOND	S. A. DEBT	IMPROVEMENT	G.O. BOND	G.O. BOND
	TOTAL	REDEMPTION	REDEMPTION	GUARANTY	REDEMPTION	REDEMPTION
ASSETS						
Cash and cash equivalents	\$ 33,554,001	\$ 23,451,352	\$ 1,536,896	\$ 1,513,060	\$ 1,866,288	\$ 5,186,405
Taxes receivable - delinquent	1,991,378	776,350				1,215,028
Assessments receivable - current	145,204		145,204			
Assessments receivable - delinquent	127		127			
Assessments receivable - deferred	523,737		523,737			
Accrued interest/penalty receivable - delinquent assessments	4,854		4,854			
Interfund short-term loans receivable	203,591			203,591		
Due from other governments	6,102,942	5,314,108			788,834	
TOTAL ASSETS	\$ 42,525,834	\$ 29,541,810	\$ 2,210,818	\$ 1,716,651	\$ 2,655,122	\$ 6,401,433
LIABILITIES AND FUND BALANCE						
Liabilities						
Interfund short-term loans payable	\$ 84,900	\$	\$ 84,900	\$	\$	\$
Accrued interest - bonds sold	21,382	21,382				
Deferred revenues	2,666,499	927,734	523,737			1,215,028
Obligations under reverse repurchase agreements	370,492	370,492				
Total liabilities	3,143,273	1,319,608	608,637	-0-	-0-	1,215,028
Fund balance						
Reserved - PFD Stadium bond debt service	12,491,773	12,491,773				
Reserved - PFD Stadium bond debt service - escrow	4,694,097	4,694,097				
Designated for unrealized gains	283,024	283,024				
Undesignated	21,913,667	10,753,308	1,602,181	1,716,651	2,655,122	5,186,405
Total fund balance	39,382,561	28,222,202	1,602,181	1,716,651	2,655,122	5,186,405
TOTAL LIABILITIES AND FUND BALANCE	\$ 42,525,834	\$ 29,541,810	\$ 2,210,818	\$ 1,716,651	\$ 2,655,122	\$ 6,401,433

KING COUNTY, WASHINGTON
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2001

		ROAD IMPROVEMENT				
		LIMITED	DISTRICTS	ROAD	STADIUM	UNLIMITED
	TOTAL	G.O. BOND	S.A. DEBT	IMPROVEMENT	G.O. BOND	G.O. BOND
		REDEMPTION	REDEMPTION	GUARANTY	REDEMPTION	REDEMPTION
REVENUES						
Taxes	\$ 103,976,445	\$ 61,997,326	\$	\$	\$ 3,785,062	\$ 38,194,057
Intergovernmental revenues	3,856,977	3,856,977				
Charges for services	4,234,375	4,234,375				
Interest earnings	1,411,437	1,175,576	157,144	78,717		
Miscellaneous revenues	172,103	460	160,259	10,690		694
TOTAL REVENUES	<u>113,651,337</u>	<u>71,264,714</u>	<u>317,403</u>	<u>89,407</u>	<u>3,785,062</u>	<u>38,194,751</u>
EXPENDITURES						
Debt service						
Redemption of long-term debt	57,418,913	32,008,913	30,000		3,090,000	22,290,000
Interest and other debt service costs	49,104,110	34,288,575	21,967		1,084,271	13,709,297
Payment to escrow agent	10,995,319	10,995,319				
TOTAL EXPENDITURES	<u>117,518,342</u>	<u>77,292,807</u>	<u>51,967</u>	<u>-0-</u>	<u>4,174,271</u>	<u>35,999,297</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPENDITURES	<u>(3,867,005)</u>	<u>(6,028,093)</u>	<u>265,436</u>	<u>89,407</u>	<u>(389,209)</u>	<u>2,195,454</u>
OTHER FINANCING SOURCES						
Disposition of fixed assets	10,083	3,496				6,587
Operating transfers in	8,863,910	8,863,910				
TOTAL OTHER FINANCING SOURCES	<u>8,873,993</u>	<u>8,867,406</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>6,587</u>
EXCESS OF REVENUES AND OTHER SOURCES						
OVER (UNDER) EXPENDITURES	5,006,988	2,839,313	265,436	89,407	(389,209)	2,202,041
FUND BALANCE - JANUARY 1, 2001	<u>34,375,573</u>	<u>25,382,889</u>	<u>1,336,745</u>	<u>1,627,244</u>	<u>3,044,331</u>	<u>2,984,364</u>
FUND BALANCE - DECEMBER 31, 2001	<u>\$ 39,382,561</u>	<u>\$ 28,222,202</u>	<u>\$ 1,602,181</u>	<u>\$ 1,716,651</u>	<u>\$ 2,655,122</u>	<u>\$ 5,186,405</u>

DEBT SERVICE FUNDS
SCHEDULE OF ANNUAL BUDGETS AND EXPENDITURES AND OTHER USES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

FUND	BUDGET			VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL EXPENDITURES
	COUNCIL ADOPTED	ADJUSTMENTS & CARRYOVERS	FINAL		
Limited G.O. Bond Redemption	\$ 130,872,126	\$ 15,000,000	\$ 145,872,126	\$ 4,869,386	\$ 141,002,740
Stadium G.O. Bond Redemption	2,540,403	1,655,000	4,195,403	21,132	4,174,271
Unlimited G.O. Bond Redemption	38,499,728	2,281,983	40,781,711	4,782,414	35,999,297
TOTAL OF DEBT SERVICE FUNDS WITH ANNUAL BUDGETS	<u>\$ 171,912,257</u>	<u>\$ 18,936,983</u>	<u>\$ 190,849,240</u>	<u>\$ 9,672,932</u>	<u>\$ 181,176,308</u>

The Schedule of Annual Budgets and Expenditures and Other Uses - Budget and Actual is presented in order to disclose budgeted and actual expenditure comparisons classified the same as, and at the same level of detail as, the legally adopted budget.

LIMITED GENERAL OBLIGATION BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2001

REVENUES	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
Taxes			
Property taxes	\$ 24,126,661	\$ 23,995,400	\$ 131,261
Retail sales and use tax	32,387,538	26,166,154	6,221,384
Business and other taxes	5,483,127	150,000	5,333,127
Total taxes	<u>61,997,326</u>	<u>50,311,554</u>	<u>11,685,772</u>
Intergovernmental revenues			
Entitlements and shared revenues	3,856,976	3,819,959	37,017
Intergovernmental services	8,725,455	8,725,454	1
Total intergovernmental revenues	<u>12,582,431</u>	<u>12,545,413</u>	<u>37,018</u>
Charges for services			
General government	<u>4,234,375</u>	<u>4,239,375</u>	<u>(5,000)</u>
Miscellaneous revenues			
Interest earnings	1,000,377		1,000,377
Other miscellaneous revenues	460		460
Total miscellaneous revenues	<u>1,000,837</u>	<u>-0-</u>	<u>1,000,837</u>
TOTAL REVENUES	<u>79,814,969</u>	<u>67,096,342</u>	<u>12,718,627</u>
OTHER FINANCING SOURCES			
Disposition of fixed assets	3,496		3,496
Operating transfers in	63,848,389	63,849,388	(999)
TOTAL OTHER FINANCING SOURCES	<u>63,851,885</u>	<u>63,849,388</u>	<u>2,497</u>
TOTAL REVENUES AND OTHER SOURCES	<u>143,666,854</u>	<u>130,945,730</u>	<u>12,721,124</u>
EXPENDITURES			
Debt service			
Redemption of long-term debt	59,910,000	59,910,000	
Interest and other debt service costs	70,097,421	70,962,126	864,705
Payment to escrow agent	10,995,319	15,000,000	4,004,681
TOTAL EXPENDITURES	<u>141,002,740</u>	<u>145,872,126</u>	<u>4,869,386</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	2,664,114	<u>\$ (14,926,396)</u>	<u>\$ 17,590,510</u>
ADJUSTMENT FROM BUDGETARY BASIS TO GAAP BASIS	175,199 ^(a)		
FUND BALANCE - JANUARY 1, 2001	<u>25,382,889</u>		
FUND BALANCE - DECEMBER 31, 2001	<u>\$ 28,222,202</u>		

(a) See Note 2, "Stewardship, Compliance, and Accountability" - Reconciliation of Budgetary Basis and GAAP Basis Statements and Schedules for Governmental Funds.

STADIUM GENERAL OBLIGATION BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2001

			VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	ACTUAL	BUDGET	
Taxes			
Retail sales and use tax - hotel/motel tax	\$ 3,785,062	\$ 3,739,540	\$ 45,522
TOTAL REVENUES	<u>3,785,062</u>	<u>3,739,540</u>	<u>45,522</u>
EXPENDITURES			
Debt service			
Redemption of long-term debt	3,090,000	3,090,000	
Interest and other debt service costs	1,084,271	1,105,403	21,132
TOTAL EXPENDITURES	<u>4,174,271</u>	<u>4,195,403</u>	<u>21,132</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(389,209)	\$ (455,863)	\$ 66,654
FUND BALANCE - JANUARY 1, 2001	<u>3,044,331</u>		
FUND BALANCE - DECEMBER 31, 2001	<u>\$ 2,655,122</u>		

UNLIMITED GENERAL OBLIGATION BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2001

			VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	ACTUAL	BUDGET	
Taxes			
Property taxes	\$ 38,122,126	\$ 43,367,550	\$ (5,245,424)
Business and other taxes	71,931		71,931
Total taxes	<u>38,194,057</u>	<u>43,367,550</u>	<u>(5,173,493)</u>
Intergovernmental revenues			
Entitlements and shared revenues		30	(30)
Miscellaneous revenues			
Rents and royalties	694		694
TOTAL REVENUES	<u>38,194,751</u>	<u>43,367,580</u>	<u>(5,172,829)</u>
OTHER FINANCING SOURCES			
Disposition of fixed assets	6,587	50,000	(43,413)
TOTAL REVENUES AND OTHER SOURCES	<u>38,201,338</u>	<u>43,417,580</u>	<u>(5,216,242)</u>
EXPENDITURES			
Debt service			
Redemption of long-term debt	22,290,000	22,290,000	
Interest and other debt service costs	13,709,297	18,491,711	4,782,414
TOTAL EXPENDITURES	<u>35,999,297</u>	<u>40,781,711</u>	<u>4,782,414</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	2,202,041	<u>\$ 2,635,869</u>	<u>\$ (433,828)</u>
FUND BALANCE - JANUARY 1, 2001	<u>2,984,364</u>		
FUND BALANCE - DECEMBER 31, 2001	<u>\$ 5,186,405</u>		

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